



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: July 10, 2023.


SHAD M. ROBINSON
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

In re:	§	Chapter 7
	§	
ASTRALABS, INC.,	§	Case No. 23-10164-SMR
Debtor.	§	

**CONSENT ORDER GRANTING PARTIAL RELIEF OF THE MOTION
OF AFCO CREDIT CORPORATION FOR AN ORDER GRANTING
RELIEF FROM THE AUTOMATIC STAY**

This matter is before the Court upon the agreement of the Chapter 7 Trustee (the “Trustee”) and AFCO Credit Corporation (“AFCO” and, with the Trustee, the “Parties”). Based upon the agreement of the Parties and for good cause shown, the Court finds, concludes, and orders as follows:

1. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a “core” proceeding according to 28 U.S.C. § 157(b), and venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409.

2. On March 17, 2023 (the “Petition Date”), Astralabs, Inc. (the “Debtor”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Bankruptcy Case”)

[Doc. No. 1]. The Debtor's case was converted to one under chapter 7 on May 12, 2023 [Doc. No. 89].

3. Prior to the Petition Date, Debtor and AFCO entered into those certain: (a) Commercial Premium Finance Agreement, dated January 11, 2023 (as amended, the "First Finance Agreement") for its directors and officers (the "First Finance Policy"); (b) Commercial Premium Finance Agreement, dated January 23, 2023 (the "Second Finance Agreement") for its professional liability policy (the "Second Finance Policy"); and (c) Commercial Premium Finance Agreement, dated February 24, 2023 (the "Third Finance Agreement") for its employment practices liability policy (the "Third Finance Policy" and, together with the First Finance Policy and the Second Finance Policy, the "Finance Policies").

4. Per the Finance Agreements, AFCO has a first-priority security interest in the Financed Policies' unearned insurance premiums (the "Unearned Premiums"). The amount of the Unearned Premiums decreases every day as funds are applied daily to the premiums of the Financed Policies as they become due.

5. Post-petition, the Debtor made its monthly May 2023 payment due under the Finance Agreements, but the payment was returned unauthorized. The Debtor has failed to make any payments thereafter.

6. On June 8, 2023, AFCO filed its *Motion of AFCO Credit Corporation for An Order Granting Relief from the Automatic Stay* [Doc. No. 127], seeking stay relief to (i) cancel the Financed Policies *nunc pro tunc* to May 6, 2023, (ii) collect the Unearned Premiums, (iii) and apply the Unearned Premiums to the outstanding indebtedness owed under its Finance Agreements with Debtor.

7. The Trustee and AFCO agree:
- a. Upon entry of this Order, AFCO is granted relief from the automatic stay solely for the purpose of cancelling the Professional Liability Policy and the Employment Practices Liability Policy *nunc pro tunc* to May 6, 2023. Such relief shall be immediate and the 14-day waiting period provided by Fed. R. Bankr. Proc. Rule 4001(a)(3) shall not apply.
 - b. AFCO is allowed a chapter 11 administrative expense priority claim in the amount of \$3,255.18 for the May and June payments on the Directors and Officers Policy finance agreement, with such claim to be paid as, when, and to the extent that other chapter 11 administrative expense priority claims are paid in the bankruptcy case;
 - c. AFCO may seek cancellation of the Directors and Officers Policy effective July 6, 2023.

###

AGREED BY AND CONSENTED TO BY:

REED SMITH LLP

By: /s/ Daniela Mondragón
Daniela Mondragón
1221 McKinney St., Suite 2100
Houston, TX 77010
Telephone: (828) 509-9588
Email: dmondragon@reedsmith.com

Attorney for AFCO Credit Corporation

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Thanhhan Nguyen
Thanhhan Nguyen.
Hartland Plaza
1717 West 6th Street, Suite 250
Austin, Texas 78701-3924
Telephone: (512) 391-6142
Email: anguyen@munsch.com

Attorney for Chapter 7 Trustee